

The Totara Foundation c/- Totara House
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The Totara Foundation



MAKING HOSPICE HAPPEN

Annual Report 2017

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*'The totara tree is the king of the forest,
protecting the other trees'*



*Totara Foundation – ensuring Totara Hospice
South Auckland is there for future
generations.*

SUMMARY FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

Mervyn Ah Chee (independent)
Chair

John Bongard (independent)
Deputy Chair

Jatin Patel (independent)

Barbara Astill (appointed)
David Jones (appointed)

John Savory (appointed until 12.10.16)
Kirsten Corson (appointed from 12.10.16)

	2017	2016
<i>Current assets</i>		
Cash and cash equivalents	399,535	767,665
Receivables from non-exchange transactions	5,837	-
Receivables from exchange transactions	307	96
Financial assets at fair value through surplus or deficit	4,214,753	2,031,576
	<u>4,620,432</u>	<u>2,799,337</u>
<i>Current liabilities</i>		
Payables under exchange transactions	4,920	4,000
Goods and services tax	10,824	9,109
Amounts due to related parties	4,011	-
	<u>19,755</u>	<u>13,109</u>
Working capital surplus/ (deficit)	4,600,677	2,786,228
<i>Non-current assets</i>		
Property plant and equipment	80,478	104,151
Investment properties	10,881,366	11,274,824
Financial assets at fair value through surplus or deficit	1,593,273	1,068,000
	<u>12,555,117</u>	<u>12,446,975</u>
NET ASSETS/ (LIABILITIES)	<u>17,155,794</u>	<u>15,233,203</u>
EQUITY		
Accumulated comprehensive revenue and expense	16,981,928	15,059,337
Other reserves	173,866	173,866
TOTAL EQUITY	<u>17,155,794</u>	<u>15,233,203</u>

For and on behalf of the Board:

Mervyn Ah Chee
Chairperson

26.9.17
Date

Kirsten Corson
Trustee

26.9.17
Date

All enquiries please contact Lynette Farrelly
on 09 640 0257 or
lynette.farrelly@hospice.co.nz

SUMMARY FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
FOR THE YEAR ENDED 30 JUNE 2017



	2017	2016
SUMMARY FINANCIAL STATEMENTS		
Revenue from non-exchange transactions		
Gifts and donations	7,783	22,600
Primary Options Acute Care income	21,518	-
Revenue from exchange transactions		
Rental revenue - related entity	500,000	500,000
Dividends	143,251	131,295
Total revenue (excluding gains)	672,552	653,895
Expenses		
Property costs	(25,609)	(38,873)
Management fee	(48,000)	(48,000)
Administration expenses	(36,237)	(23,196)
Depreciation	(417,131)	(436,395)
Primary Options Acute Care expense	(19,360)	-
Audit Fees	(4,000)	(4,000)
Total expenses	(550,337)	(550,464)
Finance costs	-	-
Finance income	43,126	55,041
Net finance costs	43,126	55,041
Operating surplus	165,341	158,472
Other gains	107,250	240,390
Other losses	-	(72,724)
Surplus/(deficit) before non-operational donations	272,591	326,138
Specific donations from / (to) related entity	1,650,000	(250,000)
Net surplus for the year	1,922,591	76,138
Other comprehensive revenue and expense	-	-
Total comprehensive revenue and expense for the year	1,922,591	76,138

Report of the Independent Auditor
on the Summary Financial Statements

Opinion

The accompanying summary statement of financial position as at 30 June 2017, summary statement of comprehensive revenue and expense, summary statement of changes in net assets/equity and summary statement of cash flows for the year then ended, and related notes, are derived from the audited financial statements of The Totara Foundation for the year ended 30 June 2017.

In our opinion, the accompanying summary financial statements is consistent, in all material respects, with the audited financial statements, in accordance with PBE FRS 43: Summary Financial Statements issued by the New Zealand Accounting Standards Board.

Summary Financial Statements

The summary financial statements does not contain all the disclosures required by Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed a modified audit opinion on the audited financial statements in our report dated 27 September 2017.

Trustees' Responsibility for the Summary Financial Statements

Trustees are responsible on behalf of the entity for the preparation of the summary financial statements in accordance with PBE FRS 43: Summary Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements is consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA (NZ)) 810 (Revised), Engagements to Report on Summary Financial Statements.

Other than in the capacity as auditor, the firm has no other relationship with, or interests in, The Totara Foundation.

Who we report to

This report is made solely to the trustees. Our audit has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the trustees, for our work, for this report, or for the opinions we have formed.

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27 September 2017

CONTINGENT ASSETS AND LIABILITIES

The Totara Foundation provides an annual renewable underwrite to Hospice South Auckland undertaking that in the event Hospice South Auckland is unable to meet its obligations as they fall due, The Totara Foundation will provide sufficient funding to ensure all creditors are paid in full. The underwrite was reviewed and renewed on 6 July 2017 for the next 12 months.

EVENTS AFTER THE

The Trustees are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Trust (2016: \$Nil).

COMPLETENESS OF INCOME

Controls over gifts and donations income prior to being recorded are limited. There are no practical procedures to determine the effect of this limited control. Our auditor's report has been modified accordingly.

SUMMARY FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated comprehensive revenue and expense	Francis Fennell Scholarship Fund	Total
At 1 July 2015	14,983,199	173,866	15,157,065
Surplus/ (deficit) for the year	76,138	-	76,138
Other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense for the year	76,138	-	76,138
Net transfers to/from other reserves	-	-	-
At 30 June 2016	15,059,337	173,866	15,233,203
At 1 July 2016	15,059,337	173,866	15,233,203
Surplus/ (deficit) for the year	1,922,591	-	1,922,591
Other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense for the year	1,922,591	-	1,922,591
Net transfers to/from other reserves	-	-	-
At 30 June 2017	16,981,928	173,866	17,155,794

SUMMARY FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
Cash flows from operating activities		
<u>Receipts</u>		
Receipts from non-exchange transactions	23,253	22,600
Specific donation received from related party	1,650,000	-
Interest received	43,126	55,041
Rentals received	500,000	500,000
Dividends received	143,251	131,295
<u>Payments</u>		
Payments to suppliers	(126,560)	(121,944)
Specific donation paid to related party	-	(250,000)
Net cash flows from operating activities	<u><u>2,233,070</u></u>	<u><u>336,992</u></u>
Cash flows from investing activities		
<u>Receipts</u>		
Proceeds from/(purchase of) sale of financial instruments	(2,601,200)	(156,225)
Net cash flows from investing activities	<u><u>(2,601,200)</u></u>	<u><u>(156,225)</u></u>
Net cash flows from financing activities		
Proceeds from/ (repayment of) related party borrowings	-	156,154
Net cash flows from financing activities	<u><u>-</u></u>	<u><u>156,154</u></u>
Net increase/(decrease) in cash and cash equivalents	(368,130)	336,921
Cash and cash equivalents at 1 July	<u>767,665</u>	<u>430,744</u>
Cash and cash equivalents at 30 June	<u><u>399,535</u></u>	<u><u>767,665</u></u>

SUMMARY FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

The Summary Financial Statements are for The Totara Foundation (the trust) for the year ended 30 June 2017.

REPORTING ENTITY

The Totara Foundation (previously known as South Auckland Hospice Development Charitable Trust) was formed on 16 December 2004 through the creation of a Trust deed. The Trust is registered under the Charitable Trust Act 1957 for the purpose of providing support and to promote hospice facilities, services and care to the terminally ill and their families in New Zealand. The Totara Foundation (the "Trust") is a public benefit entity for the purposes of financial reporting in accordance with the Financial Reporting Act 2013.

BASIS OF PREPARATION

The Summary Financial Statements are presented in summary form and therefore do not give all information required by New Zealand General Accepted Accounting Practice. They are prepared in accordance with Public Benefit Entity Financial Reporting Standard 43 - Summary Financial Statements (PBE ERS 43). The full Financial Statements have been prepared in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime. A full copy of the Financial Statements and Audit Report are available in hard copy from The Totara Foundation's registered office.

The Summary Financial Statements are presented in New Zealand dollar, which is the trust's functional currency, rounded to the nearest dollar.

These Summary Financial Statements have been extracted from the full Financial Statements dated 27 September 2017. They cannot be expected to provide as complete an understanding as provided by the full Financial Statements.

RELATED PARTY TRANSACTIONS AND BALANCES

The Totara Foundation and Totara Hospice South Auckland have some common trustees. The following transactions have been entered into with Totara Hospice South Auckland and other related parties as indicated.

Balances	Nature of transaction	2017	2016
Totara Hospice South Auckland	Rental income (note 1)	500,000	500,000
Totara Hospice South Auckland	Management fee expense (note 2)	(48,000)	(48,000)
Totara Hospice South Auckland	Specific donations (note 3)	1,650,000	(250,000)
Totara Hospice South Auckland	Primary Options Acute Care expense (note 4)	(19,360)	-

Note 1 - The Trust has entered into a lease agreement with Totara Hospice South Auckland for the premises at 140 Charles Prevost Road, The Gardens, Manukau. The rent paid for the premises is as stipulated in the lease agreement.

Note 2 - The administration fee paid by the Trust to Totara Hospice South Auckland is as stipulated in the management agreement between the two entities.

Note 3 - During the year, the Trust received specific donations from Totara Hospice South Auckland. The donation does not have any "use or return" conditions attached and have therefore been recognised as revenue in the year of receipt.

Note 4 - The Trust sub-contracted Totara Hospice South Auckland to provide the patient care services for the Primary Options Acute Care project. The terms and condition of the sub-contract is stipulated in the management agreement between the two entities.

Balance derived from the above transactions	2017	2016
Payables to Totara Hospice South Auckland	4,011	-